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E.O. 12958: DECL: 11/30/2027

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SUBJECT: CHINA-INDIA DEFENSE TALKS BUILD CONFIDENCE, BUT
WILL HAVE NO IMMEDIATE AFFECT ON BILATERAL ISSUES

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.
4 (b/d).

11. (C) Summary: The first Chinese-Indian "Annual Defense Dialogue," held in November, and mid-December's planned joint military exercises will bolster confidence in bilateral relations, according to Chinese MFA officials and academics and Indian Embassy officials. However, academics believe the talks and exercise will have "no immediate effect" on outstanding bilateral issues, nor will an improved China-India military consultation eclipse China's historically close military relations with Pakistan. End Summary.

12. (U) Implementing a May 2006 bilateral MOU on military exchanges and joint exercises, Chinese and Indian military officials held their first "Annual Defense Dialogue" (ADD) during the week of November 11-16. The talks set a tentative schedule for the upcoming year's military-to-military contacts, including high-level visits, exchange delegations and student exchanges. According to press reports, Qian Lihua, Director-General of the China's Ministry of National Defense's Foreign Affairs Office and China's delegation head, hosted India's delegation, led by Bimal Jhulka, Joint Secretary of the Indian Ministry of Defense.

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13. (U) The ADD reached agreement on a joint military exercise to be held near Kunming (Yunnan Province) in mid-December. Approximately 100 troops from each side will participate in what press reports describe as an "anti-terror scenario in a mountainous region." Foreign Ministry spokesperson Liu Jianchao said, "We hope this joint training can enhance mutual understanding and friendship between the two armies and enhance mutual trust."

Defense Dialogue: Confidence-Building Measure

14. (C) While minimizing the strategic importance of the ADD and the follow-on military exercise, our Indian Embassy interlocutor affirmed that the military talks serve as yet another confidence-building measure between India and China. Relations between the two militaries have been almost non-existent, "so any little thing we do makes news." Our Indian Embassy contact said that Chinese People's Liberation Army strategic intentions toward India are often difficult to discern, and India hopes the ADD mechanism will regularize relations between the two militaries, allowing for better

exchange of information and transparency.

15. (C) Chinese South Asia scholars concurred with this assessment. Ministry of State Security-affiliated China Institutes for Contemporary International Relations (CICIR) South Asia scholar Hu Shisheng told us that the biggest hurdle to better Chinese-Indian relations is the "mutual trust deficit," and in that context the ADD serves as "another channel to reduce mistrust." Hu said the ADD will complement the efforts of an existing bilateral security dialogue. (Note: Our Indian Embassy contact told us that formal bilateral consultation mechanisms on security issues are largely dormant.) Hu said the increased military exchanges taking place through the ADD mechanism may also help allay India's fears of China's intentions in the region. "The Indians are very suspicious of China's relations with India's neighbors," Hu added.

16. (C) As an aside, Hu commented that the current level of mistrust between the Indian and Chinese militaries prevents the kind of cooperation possible between the U.S. and Indian militaries. (Note: While Professor Hu offered no specific examples, recent Indian media reports confirm that India will participate in the U.S. Air Force "Red Flag" exercise next July, an exercise that, we understand, requires a level of sophistication in military coordination much greater than the planned December China-India military exercise.)

No immediate effect on bilateral issues

17. (C) Hu said the ADD will improve the "trust environment," but will have "no immediate effect" on outstanding bilateral issues. In a separate conversation with PolOff, MFA-affiliated China Institute of International Studies

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(CIIS) scholar Rong Ying likewise said that the ADD would have no immediate effect on sensitive bilateral issues such as the border dispute, but would serve to build mutual trust between India and China.

Defense Dialogue no detriment to China-Pakistan relations

18. (C) Hu said that while China looks to improve mil-mil relations with India through this dialogue mechanism, closer military ties to India will not eclipse Chinese-Pakistani military relations, which are "one of the pillars" of China's "all-weather friendship" relationship with Pakistan. Aware of possible sensitivities in Pakistan, an MFA official at the Asia Department Pakistan Office told us that Chinese officials briefed Pakistan about the Chinese-Indian defense dialogue prior to the November talks.

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